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By G. H. HUMPHREY.

A Lecture delivered before the Industrial Reconstruction Council in the Hall of the Institute of Journalists, Tudor Street, London, E.C., on 6th May 1919, Mr. Gordon Selfridge in the Chair.

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A Lecture delivered before the Industrial Reconstruction Council in the Hall of the Institute of Journalists, Tudor Street, London, E.C., on 6th May 1919, Mr. Gordon Selfridge in the chair.

The Chairman, in introducing the lecturer, said: I have great pleasure in calling this meeting to order and asking you, with myself, to listen to the discussion of a subject you are all familiar with, and without speaking upon the subject myself, I will introduce to you the chief speaker, Mr. Humphrey, of Newcastle-on-Tyne, who has had some interesting experiences in this sort of thing, and who will tell us, I am sure, some things we shall be very glad to hear.

Mr. Humphrey: Mr. Chairman, ladies and gentlemen, most people hesitate to give the results of their experiments until they are complete, but I have always thought it would have been much more interesting and useful to the public if they would give their experiences before their experiments were quite complete, while they were still in doubt as to the ultimate result, and while they were still in a state of diffidence as to the correctness and advisability of the course they had embarked upon. In this case of John Dawson's, we are in an extraordinarily unsettled position with regard to labour; we are just passing from war to peace, from the manufacture of aeroplanes to the manufacture of commercial articles. About two months ago, when I had a note that I was to speak here to-night, I was very much inclined to write and suggest it should be put off for six months, but I thought it would be much more useful for you to have exactly what I thought of the proposition now than to have what I thought of it later on when the question of industrial unrest will probably have been settled. I think, therefore, the few notes I give you to-night may suggest some new light, some new attitude towards labour questions to-day, even if they do not provide exactly the solution which appeals to you all. I have always thought that the biographies we read are written when the life is finished; if we could get half-way biographies, a section across the life of a man, we should know far more about him than when we read the

biography after his death. So I shall give you to-night a half-way account of what has been done, and what we are now doing in Newcastle with reference to labour. The question of labour unrest to-day is largely bound up in the question as to what is best for the industrial peace of the realm. Personally, I think that any proposed settlement which falls short of the recognition of elementary fact, and which disregards the experience which we, as a nation, have in colonising, will be sure to fail. In politics I think it must be admitted that we achieved a democratic constitution because the people demanded it. If we had not had a democratic constitution we should have had serious troubles, and my guiding principle at John Dawson's was to find some democratic basis which would avoid the possibility of industrial trouble. Just to talk glibly of industrial democracy is perhaps unfair, because there are so many schemes now. In ordinary industrial democracy I think we must concede that those who are engaged in an industry should have a voice in the conditions and carrying on of that industry. That is rather difficult at the moment. Its main disadvantages, government of a works or a business by committee involves serious delay. I am talking now from my practical experience. The ideal committee, it has often been said, is one of two where one is dead, but of course a committee of one is even better than a committee of two where one is dead, because there would be the dead hand of the last man's experience, which would be a factor that could not be disregarded. On the other hand we have to admit that in the multitude of councillors there is wisdom.

I am going to give you two instances here of the disadvantages of the committee of one, and the advantage of the multitude of councillors. We had a case of serious misbehaviour in one of our night shops in the engineering department. It would have taken us, so subtle was the method adopted, some considerable time to have checked the waste time involved, but the Works Committee, elected by the men in the shop, reported the matter to me and asked permission to make an impartial investigation, so that within 12 hours the blame was put on the right shoulders, two dismissals were effected, and the whole position was righted. In that case no committee of one could have been so satisfactory, but in another case we had an instance of where a man had been dismissed—he was a wood worker—for disregarding what they considered were the interests of the other men in the shop, and the shop committee were evenly divided. They wasted some 10 days discussing whether this man should go or should not go, it created a great deal of unrest, and finally I had to say, "I think you must leave the whole decision to me." I have always striven to leave such matters to them, but in this matter I decided it in five minutes, having got their permission to settle it for them. We have had several cases, and I will tell you later how I propose to deal with that difficulty.

The subject of the lecture, "Workmen as Directors," is one that will appeal to you, and I want to interest you quite apart from the actual description of the John Dawson scheme. I think it impossible for any other business to carry out in its entirety the system of democracy we have adopted, but you can consider very closely the possibility of taking workmen on to the board of directors. As to the individual capacity of workmen to become directors, I can only remind you that we have some excellent Cabinet Ministers who have not long ago been workmen. This will convince you that the capacity which is fit to take up the position of a Cabinet Minister is not insufficient to carry the responsibility of a directorship. Very often, in discussing this matter with people who come to see me, I have reminded them that they have not to compare the workman director with the ideal director, but with the average director, and those who have worked in London will realise that the standing of the ordinary director is not a high one, and it is one the workman should not find it difficult to achieve.

Another point is whether the workman, in exercising the functions of management or directorship, is sufficiently alive to the importance of low costing, and that it is impossible to have high wages without increased production. I ought to be careful what I say about journalists in such surroundings, but so many journalists have the idea that the British workman is absolutely ignorant of the relation between the price obtained for his product and the wages paid to him. We underrate the intelligence of the worker in so doing; we confuse his intelligence with his education. It has sometimes seemed to me that a wise providence, seeing how handicapped the British workman is by the education which we give him, has endowed him with a much sharper intelligence than he would otherwise have had if it had been cloaked with an average modern education. (Laughter and applause.) On this question of attitude to costs, when we were discussing shortly after the Armistice the rate of wages we should be paying we decided on a certain basis, and one of the workers' representatives made this remark, "We must be perfectly clear in explaining this "to the men that they cannot have increased wages and "shorter hours unless there is a corresponding increase "in the output; otherwise we are killing the goose "which lays the golden egg."

In regard to the equality of the director appointed by the men, in our particular case the disadvantage of the whole system is this, that some of the men lower down, further from the actual problems of management, consider "Here are good conditions, we do not have the same "bullying we used to have, we are not so afraid of the "sack, and we are not going to pull our full weight." We often find it difficult to get to the individual on the bench. It is not difficult to convince the workman who has become a director; he is generally ready to say, "I

am prepared to leave that to you." The real problem is to get the education down to the worker himself. We find that many men will accept the good conditions without accepting the increased responsibility. That is largely our own fault, because of this very system of education I have been criticising. We have felt too long that education is not really important to these people; so we find they are not sufficiently interested in the real problems of business as they are in the amount of the wages they get. The old idea of the exploitation of labour by the employing class has a good deal to answer for in this respect. They did not seem to realise that an educated workman is a better workman than an uneducated workman, and we are suffering to-day from that cause. Russia is suffering to a much more serious degree because there all sorts of education and democratic expressions were sternly repressed, and an explosion was bound to occur. A smaller one may occur here, but it will be a humorous one if we have it. It will occur unless we have some safety valve in the form of industrial democracy and popular representation in management such as I am describing this evening.

There is one very important point that has always occurred to me in connection with the fitness of workmen for positions of responsibility as directors, and it is this. If a workman from the bench is a success as a director, before long he ceases to be a worker on the bench, and becomes a director, and you lose the representative capacity. On Tyneside there is a very big shipbuilding yard, and the general manager there was once a fitter, a man about 45 now, and an extraordinarily capable man, but he is no longer a representative of the workers.

In England the employers' proposition to-day resolves itself primarily to the impossibility of standardisation of labour costs. I think every employer, just as he would examine the timber market or any market for raw material, should carefully consider the labour commodity itself, to get at the mentality and psychology of the joiner and fitter. It is not an easy problem. Industrial psychology on Tyneside is different to that in London. What will appeal to the Londoner will not appeal to the Tynesider. You have further to go to get the confidence of the Tynesider than to get the confidence of the Londoner, and you must approach him in a different way, but once he believes in you, and as long as he believes in you, you can lead him anywhere. I have been extraordinarily successful in getting the confidence of the men up there, and I am perfectly sure that if they could only be educated in the problems of business they would realise the difficulties of employment. On this matter the manufacturer, in trying to estimate what the worker actually wants, may possibly think, "This will take me time and study." But the result will well repay him. It will be no solution of his problem to say, "I will have a worker on the board, and see what he does want." Nothing of the sort. It is not

a case of trial, it has to be carefully thought out as to the best way. And I am making this suggestion, that in my opinion the best way would be to put up a notice in one's works asking the men for their views on the question of the representation of the workers; then allow them to hold a meeting, and let the employer go and listen. He would be tremendously interested, and would hear a great deal that would be of great value to him. There is no real antagonism even now between the employer and labour, but there is antagonism between the employed and the system. I have often heard it said, "It is all very well for Humphrey to do this, "because he has personality, and takes great care to "get over to the men," but it is nothing of the kind. It is very simple to get your personality respected by the men, and if a man is a successful employer, if he will take the trouble to understand his men, he will have gone a long way towards the settlement of his troubles.

The general attitude of the employer to the scheme of John Dawson is one of great antagonism. In the last three months it has been suggested that it would help the solution of the industrial problem if Humphrey was assassinated. I am sure it was stated quite humorously, but the Masters' Federations are up against John Dawson as they are up against anything that runs off the established lines. Now, can you imagine any institute of civil engineers or electrical engineers saying, "You shall be "thrown out of our Federation, and we will fight you "to the death if you invent anything we have not already "invented." And I do say this, that all forms of labour enterprise should be carefully studied, and should not be opposed, until it has been decided whether they provide a solution or not. I tell you frankly, I have been astonished to find how far in advance the John Dawson scheme is to other schemes, and I have been reluctantly compelled to stop any further progress, otherwise I should be cut off the main body, and John Dawsons will disappear altogether. What I am saying to those who are supporting me is that until you get labour to understand the responsibility of labour you must not ask me to take responsibility of further advance.

I propose to have a meeting of all the men and tell them that, in my opinion, what has been industrial democracy, by sheer force of circumstances and the economic position, is now likely to become a benevolent autocracy, that we will be in the forefront of labour, but we are not going so far forward as to be cut off. I am perfectly sure from my discussions with several of them that they will find that satisfactory. I shall probably join the Employers' Federation; otherwise I disappear. I am joining under duress. It is going to be one of the conditions of the new labour charter that all workers shall join Trade Unions, and all employers shall join Employers' Federations. Therefore, I am driven to this course. I think I am correct when I consider it a logical development of the industrial situation.

There is another very important point, and that is this: how do the staff, the managers and firms regard the possibility of being controlled by the workers. That is one of the real difficulties. I was a draper's assistant for eight years, long before I became managing director of John Dawsons. Well, the foremen, the designers, all paid great respect to me because I happened to be managing director, though I, as a draper's assistant, was paid a lower salary than any labourer or journeyman joiner that we were employing—it was just because I was now called managing director. They cannot, however, realise that a worker from the bench is similarly fitted to control, that he, having the confidence of his fellows, is a great asset to the actual output at the works. So that one of the chief difficulties, as I say, has been getting at the foremen and the staff. I have one particular foreman in my mind who has been a joiner at the bench. There is nothing more autocratic than a man who was once a trade unionist. I find they have an idea, "Oh yes, you can't expect me to make anything of "these people; I cannot get my maximum out by taking "these men." I said to him, "I did not consider you "the perfect foreman when I took you off the bench, and "you have got to do as I do, make the best of the material "you have at hand; you have to educate and train your "material; it is not a perfect world." So that there is a great deal of scope for the education of the staff.

There is always, I think, a certain amount of antagonism between the workmen and those above them. They are apt to say of their foreman, "Oh, that is only old Bill Smith," consequently old Bill Smith has to put on a much more stern mien in the workshop than he otherwise would do. To some extent, therefore, that is the fault of the workmen. What I say is, and I cannot say it too often, educate the workmen, the foremen, and the staff, so as to build up a system under which all will pull their full weight. A good many people have said, "This is not business, it is philanthropy." But I can assure you the only aim of the system is to get the maximum output at the least expenditure of energy, and it is only in that way that we can readjust the industrial and economic position in this country. In our educational system I find that many know the length of the Thames, and some know how many wives Henry VIII had, but they know nothing of real economic facts. We had in Newcastle excellent lectures for the people, but not on these subjects. You never see a lecture announced on "The relation of production to wages," or "Cost of production and rises of wages." Yet these are the real elementary facts. To show you that the workers are ready for this education I will give you this instance. I had an application the other day from the men as to whether they could have arranged for them three lectures on company law and the financial basis of industry; so that you see they are anxious for this sort of thing. For if we could only get some system of educa-

tion I feel sure we should find some of our difficulties much more easy of solution. It seems to me rather curious that the intuition which characterises our colonial administration should be disregarded in our industrial administration. When we take over a colony we study the local conditions, we think out what the people want, and what is best for them, gradually we give them more and more power, we give them a legislative council and finally self-government. That is the reason for the success of the British colonial policy. If the employer would do the same with regard to his workmen, and lead up to giving them self-government, he would find a solution to many of the present industrial problems. It seems to me that what has been so extraordinarily successful overseas can similarly be a success in the solution of the industrial problem.

Now, it may be said that an employer takes a great risk in putting workmen on the board. He is also taking a great risk when he undertakes any new process, and I ask employers to consider the position when putting workers on the board as adopting a new process; they must examine it and take the risk. Some people may say it will cost money, but few business men are interested only in making money. You could not go to many successful business men and say, "I will buy you "out of your business, I will give you all the money it is "worth on condition that you never interest yourself in "business again for the rest of your life." We know what happens on compulsory retirement, the business man generally breaks down. However much you may delude yourselves, we are not interested in the mere making of money, but are more interested in making the organisation of which money is the significator of success. We find our success far more in organising the work than in reaping the result. If not, why do we not leave off when we have attained a certain figure. Many men could retire with excellent incomes, but do not; it is because they are really interested in doing something that is worth while doing. I look upon the position of an employer as a national responsibility, and not an individual opportunity, and so do the vast majority of employers.

Now, from the manufacturer's point of view, we are faced with troubles unless we approach this problem prepared to go a long way in giving representation to the workers. We shall be faced with a demand for more than we are prepared to give. To-day the question of nationalisation is in everyone's mind. Some of us think it is going to be the solution of all our troubles, but I have very grave doubts. The position in which most munition manufacturers have been placed from time to time during the war has suggested, no doubt to others as to me, that if we were run in peace under any such system we could not maintain any sort of competition in the markets of the world, and I am afraid that if we are expecting too much from crude nationalisation we shall find

that our later case will be worse than our first. It is the responsibility of the employer to-day to find some way to satisfy the legitimate aspirations of his employees and to get them on to the board, on to advisory councils, on to workshop committees, and so deal with this question in a way that will probably avoid much more serious trouble. The employer in the past—I am talking of my own district—has undoubtedly been guilty of exploitation. I do not believe you realise in London, and more so in the City here, how very grievously this is taken in the North. Men are used so much as raw material, labour is treated as a commodity in times of bad trade, it is turned out into the street. We have recently had some thousands of men discharged in Newcastle, and it is a really serious matter that the employer does not realise that the time has long gone by for the exploitation of the worker. A new spirit is manifesting itself, and I believe before long we shall find that the employer himself will take this up with a view to the settlement of the labour problem. No Government without the employer can settle it, and it is for each employer to think it out for himself. He must impress such views on his Employers' Federation. He must not allow his Employers' Federation to press their views on him. Then I think we shall come within a possibility of settling this grave problem and obtaining that national industrial peace which I believe the vast majority of my countrymen so ardently desire. (Applause.)

Mr. Jukes suggested that the lecturer should give some details of the John Dawson scheme.

The Lecturer: I think it is in "David Copperfield" where it relates how Mr. Dick could never write anything without introducing an allusion to King Charles' head. It has been suggested that I can never speak on this topic without introducing the John Dawson scheme, so when I made my notes this afternoon for this meeting, and saw that my subject was "Workmen as Directors," I thought I must guard against explaining many details of a scheme which have nothing to do with workmen as directors, but I am gratified to be asked to give some details, because it is my pet hobby. I think the scheme we have got is one under which most of the manufacturing affairs of this country will ultimately be run, whether nationalised or not. There are two departments to the scheme—the grievance side and the constructive side. We may be modifying this in the course of a few weeks, but this is the scheme which has attracted a certain amount of unsought publicity. The shop committees are elected from the men in each particular shop to deal with any question of summary dismissal, unfair treatment, victimisation, or anything that comes under the heading of grievances. Every man is entitled to seven days' notice, but if he receives notice he has a right to appeal to the shop committee.

The shop committee, if they think it a deserving case, see the foreman, and either they settle the foreman or the foreman settles them. Very few cases go up beyond the shop committee. That is the grievance side. As a development of the scheme, I proposed to the 36 trade unions an output dividend scheme, that is, to allocate a certain percentage of the financial turnover for distribution amongst the employees upon the basis of the wage they have earned in the year. This has been discussed, and it was said to be a way of procuring an increased output, and I had tacked on to this the system of works council, which is really the board of directors. Five are elected by the works, and five nominated by me from the management. Those five from the works are elected by ballot, and are paid exactly the same when attending a meeting as when they are at the bench. There is no casting vote to the chairman, the idea being that to give the chairman a casting vote is to give him power, and it does not matter whether it is a majority of one, or of 25, it is just as powerful. The questions which are dealt with by this works council are the questions which usually come up before a board of directors, except finance and capital. You may ask why we should leave finance and capital out. Well, to deal with any business by means of loans, one has to give personal security and personal guarantee, and one will not give guarantees without the power of controlling the expenditure. That is why the finance side is left out of the purview of the works council. That is the position as regards the works council.

A member asked if finance and capital included matters of selling and distribution of the product.

The Lecturer : I have had that asked me a good many times. Does a board of directors interest itself in the problems of selling? Usually sales managers and sales experts are appointed by them.

A question was asked how long the men were elected for.

The Lecturer : They are elected for a year, always assuming that the scheme goes forward on the lines I suggest. I am giving you a half-way explanation of the scheme.

A Member : I should like to put one difficulty before Mr. Humphrey. I am anxious to introduce a scheme of workmen directors in my particular business. My fear is that the workman elected as a director might, at the end of the year, lose the confidence of his fellow workers. He would then feel very uncomfortable in being employed at the works where he had lost the confidence of his fellow workers, and he might be tempted away by a rival firm, who would be only too glad to pay him very much more money, because during his year as a director he would have acquired a great deal of knowledge of the secrets of the business. I have got as far as wishing to have workmen directors, but I am afraid I shall have to stop short with management committees.

The Lecturer : That is a new question, and I can see no solution for it. It is a matter of the individual circumstances at particular works.

A Member : Everyone must be grateful to the lecturer for the amount of information he has given us, and the food for thought which he has supplied. The question that appeals to me is whether the worker has ever tried to do something for himself in the matter of output instead of throwing it on to the employers. Has he ever tried to make himself a more efficient worker? Does he agree with the system of apprenticeship? You can go up and down in London and find men working who have never spent an hour in acquiring a knowledge of their business. These men are on the verge of wastrelism, and yet they are paid trade union rates of wages. In reference to the case you mentioned of "Bill Smith," I question if it is a good thing to have a man in authority where he has been a worker, because men who have been his companions will have little respect for him. Wouldn't it be a great advantage as a matter of output and general efficiency if that man were tried in another department altogether, where people would not know him as Bill Smith. Then again, with regard to colonisation, which the lecturer referred to. The parallel is all right to a certain point. Colonisation has been successful with us; we find out the idiosyncracies of the people, we do everything for their good, and give them self-government, but that could not be done in the case of large dependencies like India. It would not be very wise for a country like Great Britain to deal lavishly, or generously, with a larger country than itself. America could say to the Philippine Islands, "You can have as much "government as you like, because we can come down on "you if you become rebellious." But it would not do for England in connection with a bigger country, as for instance, when we tried to run America. Up to a certain point the parallel holds good, but it does not go all the way.

A Member : How could this scheme be applied to other trades, such as newspaper businesses, where there is a vast array of talent from the editor and manager down to the typesetter and machine minder. There is a certain amount of level in an engineering shop which does not exist in a newspaper office. Take again an illustrated paper where there are also artists. They stand on a different level. I once knew a very excellent man, a millwright, and a first-rate mechanic, a man any nation would have been proud of. When a young man he was foreman in a large engineering works in London, and he afterwards went to South America at a large salary. At the time I knew him he was getting several pounds a week, and was a just man, and could get a mastery over the workpeople. I asked him how it was that men like him had never started business on a co-operative basis. He said he had tried it, but it failed through

jealousy and want of cohesion. He said they had a manager who wore a white shirt and gloves, and the men asked why they should pay him so much more than they themselves received when he was their servant.

The Lecturer : If I may be allowed to deal with these points. That attitude of want of cohesion and jealousy is rapidly disappearing, and we must not count on that for future failures of co-operative enterprise. The workers are realising that if the co-operative basis is to be a success it must be directed by the best brains. The previous speaker said that the engineering labour was on one level; if he knew anything about it, he would know that there are 18 different trade unions connected with it, each entirely distinct and declining to have one man doing the work of another. The remark with regard to India was a rather sweeping statement. What I suggested was that it would be a wise thing if a similar policy was adopted with regard to labour. How far we go in giving self-government will be the measure of our success, whether it is to black or white. (One of the things which is likely to cause future wars is the opposition to the abolition of racial equality at the peace conference. We have an opportunity here, if we care to take it, of avoiding the dangers of the yellow peril in the years to come.) With regard to Bill Smith, who has attained a rather enviable notoriety here, and his not going back to the bench, I think the speaker was confusing my method with the Parliamentary method. A constituency sends a man to Parliament, and he goes anywhere rather than back to his own constituency. That is one of the disadvantages of democratic government, and I think one of the best points about our scheme is that the man who represents the engineers has to remain an engineer and go back to the engineers' shop and give an account of his stewardship. With regard to the question of apprenticeship, I find that our men on their own initiative have drafted out an excellent schedule of the terms of apprenticeship. Another point which has been raised is whether the workers are convinced of the necessity of doing their best and improving themselves, whether they realise their responsibility as workers. As a matter of fact, the worker has never been generally encouraged to do anything of that sort. I will give you one instance. I was talking to a workman about these things, he said that the system adopted in one big works was that a rate was fixed for a certain job at one end of the works. One man got the time down, and the job was then taken off to another end of the shop, and the lower standard adopted. It is the bitterness of this kind of thing which causes a lot of trouble. You cannot get the workers to realise that you are sincere, and you cannot wonder. The unfair treatment as regards piecework rates is enough to make them determined not to do their best, and that is why I plead that it is education that will solve our problems to-day.

A Member : I should like to point out that the director of a limited company is expected to have a qualification in shares. There is a parallel question which is of very great importance, and that is trustee. The question is whether in the future a workman will be elected to a place on the board simply because he is a good labour man.

Mr. Jukes : Mr. Humphrey has not told us that these men are appointed to boards of directors at all. Apparently their names do not appear at Somerset House on the list of directors. He has referred merely to a workers' council. I have been under a delusion all through the lecture; I came expecting to hear something about workmen as directors, not as departmental controllers. It is a question which has been agitating the minds of some of us for some time.

The Lecturer : The functions of the works council are the same as those of a board of directors, except with regard to finance.

A Member : I have listened with great interest to Mr. Humphrey's address. I must confess I was in much the same position as the last speaker; it seems to me the title of the address does not quite square with the address itself. At the same time, the scheme goes a long way to alleviate labour troubles, as it gives a joint control of the conditions under which the work is carried on. A director, however, has a financial interest in the concern at any rate, and is very closely allied to the owner of the business. The great point is, who has the control. Is it proposed the workmen are to have an equal voice on the board with those who actually own the concern. We are told the chairman has no casting vote; my point is there must be a deciding voice when things get to a deadlock.

The Lecturer : The title of the lecture was chosen by the Industrial Council. I did not bring the works council into it, and did not bring the John Dawson scheme into the lecture. I was first criticised for keeping it out, and now I am criticised for bringing it in. If you can get from what I have said some idea as to a suitable scheme the lecture will not have been given in vain. I hope it may stimulate your action in regard to this matter. Someone remarked that it is stretching generosity too far. Has not generosity already been stretched in London. Do you want the course of events in Russia to be imitated here. You must not regard organised labour as the danger; it is the official labour opinion which is as yet unorganised which is the danger. I do not mean the men who are not in trade unions; it is the young men actually in the unions who are knocking at the gate, and that is why something must be done.

A Member : It does not appear to me that Mr. Humphrey wants workmen put on a board of directors, and therefore it appears to be rather misleading. Summing it all up, as I gather from the lecture, it means

nothing more than a Whitley Council proposition. I am utterly in agreement with works committees, but when it comes to saying "This property is yours, you paid nothing for it," it seems to me to be going a bit too far, and that is going to prejudice what Mr. Humphrey himself wishes to do.

The Chairman: The topic chosen for the lecture was workmen as directors, and not the workers of John Dawson's as directors, and Mr. Humphrey was asked to give his views on his study of the conditions in his own business. It is not fair to hold him responsible for not telling us all the details of the business he conducts, when he has given us three-quarters of an hour of most interesting description of the possibilities of workmen as directors. We are under an obligation to him for making us wiser on this subject. I have no doubt he would be willing to go quite fully into the John Dawson scheme, but let us recognise that he gave us an interesting lecture on the subject selected by the Council.

A Member: Under the Livesey scheme at the South Metropolitan Gas Works there are elected workmen directors with full power—not camouflaged directors—(laughter)—but they have a qualification by putting capital into the business out of their wages, and since that system has been adopted there has never been any difficulty in working. I have had men from the company working in my own house, and found them diligent where workmen from other companies were not. I found them intelligent where others were not, and by actual personal experience I can testify to there being something in the scheme. These men did not go into the scheme from any high-flown sentiments; you must have the thriftless and the thrifty, and unless you have a scheme brought into existence on a basis of hard common sense, and not the product of sentiment, it will not work with success.

Mr. F. Maddison: I want to thank Mr. Humphrey very much for his address. I was not under the same difficulty as some of our friends, because it seems to me that the arguments used by Mr. Humphrey would apply to any form of workmen directorship. He was, as I understood him, showing us that the educative process must go on with the human material, and I think the warning he has given us this evening is a very serious one and a very real one, and I would strongly advise manufacturers here not to talk so insistently about their own. You may depend upon it this is the wrong time to do that. I worked for a good many years in a co-partnership movement, and we have always felt that whether a co-partnership scheme was adopted or not, unless the principle of participation was admitted into industry, then, depend upon it, the only alternative is revolution. You may make your mind up for that fair and square. Don't bother yourselves about the workman director getting hold of your own. You want to get the right ideas into the workers' mind as Mr. Humphrey is doing in Newcastle. He has got very good soil there.

If you convince the men that there is a vital connection between production and his own share in the product, then you will have done a great deal, and when you have so convinced him, believe me he is safe on a board of directors. I do not think we have more than begun to gauge the possibilities of interesting the workers in their industry. You may have your schemes as to this, that, and the other, but depend upon it, if you can get the workmen to have a greater interest than merely in their wage, then there is a latent force which human imagination can hardly conceive.

A Member: May I congratulate you on the privilege it has been to listen to Mr. Humphrey. His address has been very interesting. First there was his insistence of the education of workmen right down to the lower end. Therein is the secret of the whole business. The want of education and the injustice to the average toiler explains the appalling fact which disturbs some of our friends. The gentleman who shivers at the risk that the workman director might betray his old friends gives away the fact that the employers' organisation and their standpoint of morality are not all that is to be desired. The shareholder who puts his money into a concern takes his risk, and unless you take risks nothing can be done. I was glad to hear Mr. Humphrey say that employers are not working for the multiplication of their incomes. I should like to ask him why he is so light-hearted with regard to a possible explosion in the industrial arena, and why he said if we had a revolution it would be a humorous one.

Mr. Frank Colebrook: I have been asked to move a vote of thanks to the lecturer. I thought at one time when Mr. Humphrey alluded to his assassination, of the delightful speech of King Edward to Lord Fisher, when he told him he was the best hated man in the country, and Lord Fisher turned to him and said, "At any rate you have backed a winner." At all events we have had one of the most successful meetings we have held, and it has provoked an admirable discussion. What appealed to me very much was the note he emphasised that after all while we, frankly, are in business to make money, that is not the only thing, and I will remind you, Mr. Chairman—I think you are entitled to be proud of it—that in the very first month of the war, when everyone was down in the dumps as to how business was to go on, you in Cannon Street said we were not in business at that moment for making profits, but for carrying on the business of the country, and you backed that up by a tremendous amount of advertising when hardly anyone else was doing it. I remember that gratefully. I felt that here was one who was a sportsman in business. I am grateful to the lecturer, and wish him good luck in the conversion of the Employers' Federation. (Laughter.) The question is whether we are going to carry into peace the high spirit we carried into the war. If we do that we shall win right through. I had

a little experience eight years earlier than anyone else of the Whitley Council, and I have the testimony of the Labour Minister that we did successfully manage most of the problems which have come up to-night, and we had no voting, but a record of the sense of the meeting put before both bodies and signed by the chairmen of both bodies at their subsequent meeting. Of course, that is apart from the question of directors, but not apart from the question of joint councils. Good faith and honest intentions will always win. I thank you very much for giving me the opportunity of proposing this vote of thanks.

Mr. Mundy: It is with very great pleasure I second the vote of thanks. Everyone here must have enjoyed the lecture; the way it was given was most fascinating, and it was interesting to think of the personal experience that lies behind it. The way in which the lecturer has worked this out among his own workmen gave a life to it that interested one from the very beginning. I do not know which of his points attracted me most. One saw that he has taken the character of the workmen into account, and that there is not a single atom of pessimism apparently in his composition. He seems to accept the fact, which is so often forgotten, that people are not perfect. Some of his remarks with regard to that were most attractive. It is a great thing to understand human nature. Personally, I have been extremely interested because I am the Secretary of the Labour Co-partnership Association One point with regard to his experiment I remember seeing quoted is that when the scheme had been in operation some little time, and he was trying to bring an output distribution plan before the trade unions, one of the men said, "Bother the profits, it is the control that matters." It is the control that matters to the working classes. It may not be worked out in every case as he has worked it out, but personally I am not concerned whether you call a man a director or not. I am inclined to think from my experience of the co-partnership movement that, after all, the first thing that matters to the workman is to get a control, which I generally call an internal control—a control over the daily existence of the worker, and that the second thing, and really the most important for the moment, is what we call directional control—control of the business. I admit that some control over the direction of the business will raise the status of the worker, and that is what we want. In the South Metropolitan Gas Works, three workers sit on the Board with exactly the same powers as the other directors. They did not buy their shares out of their own savings, but out of the profits which came to them from the business, and each director holds part of the capital in the business. In the South Metropolitan Gas Co. they have a Co-partnership Committee, which is a workshop council, and the greatest benefits have resulted. In Mr. Humphrey's scheme the men feel it is their own organisation, and that they

control the conditions of their daily life. The committee of the South Metropolitan Gas Co. has no executive function whatever, and therefore some antagonist might say it is of no use at all, it is not control. Dr. Carpenter stated the other day that he could not remember a single instance where a considered opinion of that committee had been set aside by the Board. That shows the moral force of that committee, and I think you might get that in any other committee.

The resolution was carried unanimously, with loud applause.

The Lecturer : It is very nice of you to pass that vote of thanks in such a very enthusiastic way. I was asked how I knew it was going to be a humorous revolution; well, it is not fair to give the show away, but the British working man has a very keen sense of humour. He is realising it is not a difficult matter to get what he wants, and I think he will get it quite readily. It is a great thing that all in this room are imbued with the necessity of doing something—contributing something to the common weal. Whether we achieve that end ourselves does not matter. I cannot conclude better than by telling you what I saw on Mr. Selfridge's desk many years ago, the motto framed, " It is better to travel hopefully than to arrive." At all events, let us travel hopefully. (Applause.)

The proceedings then terminated.

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